

# ALAMEDA COUNTY ECONOMIC FORECAST

Like most of the Bay Area, the Alameda County economy is creating jobs at a rapid rate. In 2017, the county gained 19,100 jobs, representing a growth rate of 2.5 percent. By comparison, statewide growth was observed at 2.0 percent.

The best performing industries in Alameda County were manufacturing, healthcare, and construction. The manufacturing sector generated 4,100 new jobs in 2017, largely due to increased production of transportation equipment. In particular, a large firm in Fremont has hired several thousand workers over the last few years, and has plans for further expansion.

Alameda County is in the middle of a construction boom. Almost 8,300 homes were built in 2017 (the largest figure in three decades) and more than \$1.5 billion was invested into non-residential structures (the highest amount on record). Most of these homes were apartment units in Oakland, Fremont, Berkeley, and Dublin. Much of the non-residential investment was for new office, retail, and logistics facilities countywide.

But despite the surge of new building activity, housing production is not keeping pace with population growth. Home prices are now 27 percent above their bubble-era peak, and housing affordability is becoming a major problem. In Alameda County, households often spend more than 40 percent of their pre-tax income on mortgage payments and rent, whereas this figure is typically less than 25 percent across Inland California.

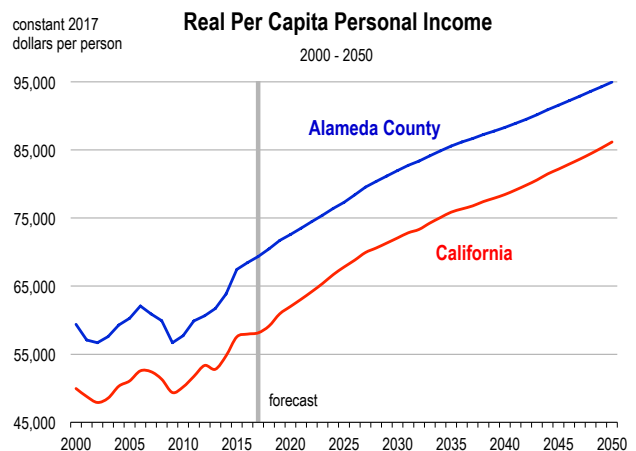
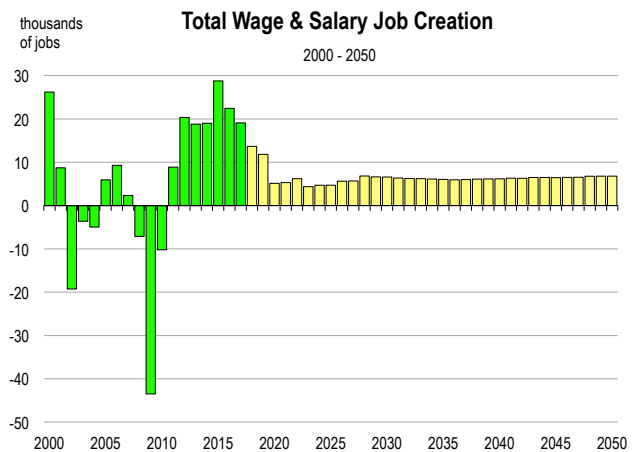
High home prices are slowing migration to Alameda County. Population growth has decelerated, and is now similar to the statewide average. That said, people continue to move to the county for its high-paying jobs, and some are arriving from San Francisco County where homes are even more expensive.

The Alameda County technology sector is growing more slowly than it has in recent years. Very few tech jobs were created in 2017, with substantial losses in certain industry segments. Venture capital funding to technology companies has fallen by 50 percent over the last two years, leading to slower hiring at some firms, and layoffs at others.

The Alameda County unemployment rate was exceptionally low in 2017, falling to 3.6 percent, which is near its lowest sustainable level. The economy has now reached a “full employment” scenario, meaning that almost everyone who wants a job already has a job. Under such conditions, job creation is expected to decelerate, and further improvements in the unemployment rate will be minimal.

## FORECAST HIGHLIGHTS

- In 2018, total employment will increase by 1.7 percent. From 2018 to 2023, employment growth is expected to average 0.8 percent per year.
- The largest employment gains will be observed in professional services, education and healthcare, and leisure services. Together, these sectors will account for 67 percent of net job creation during the 2018-2023 period.

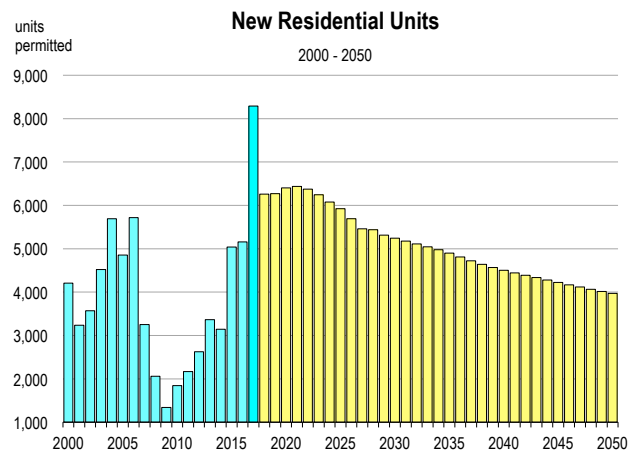
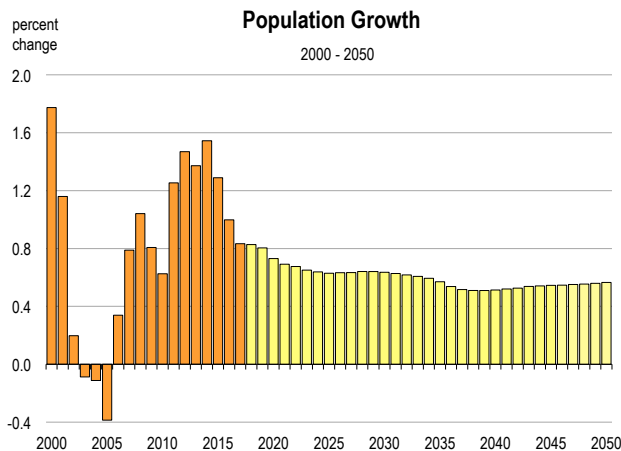


- We are near the peak of the current building cycle, and job losses may be observed in the construction industry during the forecast period.
- Average salaries are currently well above the California average, and will remain so over the foreseeable future. In Alameda County, inflation-adjusted salaries are expected to rise by an average of 1.4 percent per year between 2018 and 2023.
- Over the forecast period, an average of 6,300 homes will be authorized per year. The most prominent area for development will be the Oakland Waterfront, where several thousand apartments and condos could be built over the next decade.
- The population is expected to increase by 0.7 percent annually through 2023. Net migration will slow, with an average of 2,100 net migrants entering the county each year.

# Alameda County Economic Forecast

## 2010-2017 History, 2018-2050 Forecast

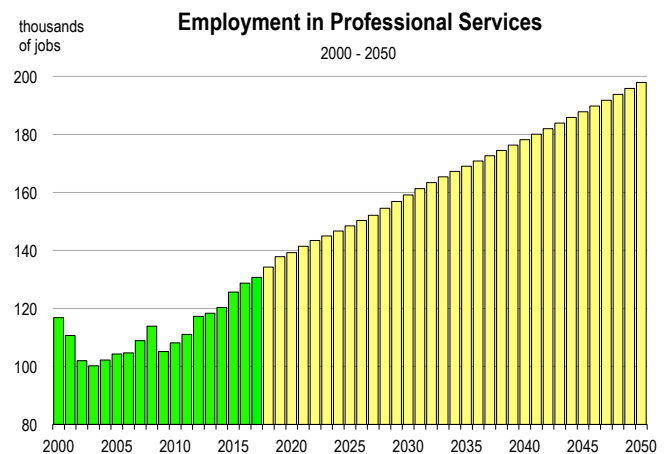
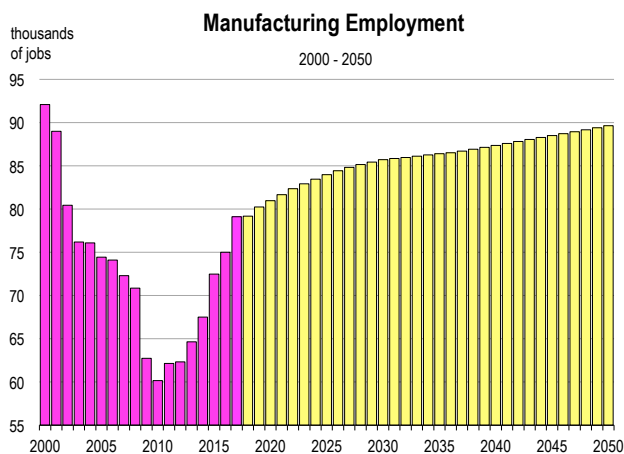
	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2010	1,513,228	-1,545	1.24	544.0	1,843	\$21.5	\$72.2	\$57,726	1.3	42.7	15.7	10.9
2011	1,532,186	8,814	1.23	545.9	2,167	\$23.4	\$77.9	\$59,885	2.7	48.5	15.8	10.1
2012	1,554,698	12,792	1.24	550.8	2,627	\$25.2	\$82.1	\$60,666	2.7	46.0	16.3	8.7
2013	1,576,023	11,529	1.28	559.2	3,362	\$26.6	\$86.6	\$61,704	2.3	47.1	17.4	7.2
2014	1,600,366	14,192	1.31	562.7	3,141	\$28.4	\$93.6	\$63,849	2.8	50.6	18.7	5.8
2015	1,621,005	10,849	1.36	566.3	5,041	\$29.8	\$102.7	\$67,445	2.6	53.1	20.4	4.7
2016	1,637,176	6,294	1.34	569.5	5,157	\$31.0	\$108.6	\$68,442	3.1	49.6	21.1	4.3
2017	1,650,818	3,976	1.34	575.3	8,290	\$32.3	\$114.5	\$69,350	3.2	49.5	22.6	3.6
2018	1,664,473	3,830	1.34	582.9	6,259	\$33.8	\$121.6	\$70,487	3.7	49.6	23.2	3.5
2019	1,677,859	3,507	1.35	587.7	6,270	\$35.4	\$128.7	\$71,726	3.1	49.8	23.4	3.3
2020	1,690,115	2,373	1.36	591.6	6,403	\$37.4	\$136.6	\$72,581	4.1	49.9	23.9	3.5
2021	1,701,803	1,815	1.36	596.6	6,437	\$39.2	\$144.3	\$73,517	3.6	50.0	24.6	3.6
2022	1,713,301	1,633	1.37	601.9	6,374	\$41.0	\$152.3	\$74,489	3.5	50.1	25.3	3.7
2023	1,724,449	1,294	1.38	606.5	6,244	\$42.9	\$160.5	\$75,424	3.4	50.2	26.1	3.9
2024	1,735,458	1,170	1.38	611.1	6,077	\$44.9	\$169.0	\$76,400	3.3	50.3	26.9	4.0
2025	1,746,376	1,115	1.39	615.7	5,923	\$47.0	\$177.5	\$77,319	3.1	50.4	27.5	4.0
2026	1,757,428	1,218	1.39	620.2	5,692	\$49.2	\$186.7	\$78,403	3.1	50.5	28.2	4.0
2027	1,768,564	1,284	1.40	624.5	5,459	\$51.5	\$196.3	\$79,555	3.0	50.5	28.9	4.1
2028	1,779,902	1,455	1.40	628.7	5,438	\$53.8	\$206.1	\$80,376	3.3	50.6	29.5	4.0
2029	1,791,308	1,506	1.41	633.0	5,314	\$56.1	\$216.0	\$81,179	3.1	50.7	30.2	4.0
2030	1,802,697	1,523	1.42	637.2	5,243	\$58.6	\$226.1	\$81,970	3.0	50.7	30.9	4.0
2031	1,814,006	1,497	1.42	641.3	5,176	\$61.3	\$236.3	\$82,743	2.9	50.8	31.6	4.0
2032	1,825,209	1,468	1.43	645.4	5,111	\$64.2	\$247.0	\$83,387	3.1	50.8	32.3	4.0
2033	1,836,296	1,447	1.44	649.5	5,044	\$67.2	\$257.5	\$84,141	2.7	50.8	33.0	4.0
2034	1,847,208	1,419	1.45	653.5	4,977	\$70.3	\$268.9	\$84,866	2.9	50.9	33.8	4.0
2035	1,857,744	1,188	1.46	657.5	4,899	\$73.5	\$280.9	\$85,583	3.0	50.9	34.5	4.0
2036	1,867,726	752	1.46	661.3	4,810	\$76.8	\$293.9	\$86,159	3.4	50.9	35.3	4.0
2037	1,877,371	433	1.47	665.1	4,721	\$80.1	\$307.5	\$86,678	3.5	51.0	36.1	4.0
2038	1,886,947	275	1.48	668.8	4,640	\$83.4	\$321.4	\$87,260	3.3	51.0	36.9	4.0
2039	1,896,566	242	1.49	672.5	4,567	\$86.8	\$336.2	\$87,776	3.5	51.0	37.8	4.0
2040	1,906,302	268	1.50	676.0	4,503	\$90.2	\$351.4	\$88,300	3.4	51.0	38.6	4.0
2041	1,916,222	289	1.51	679.6	4,443	\$93.6	\$366.9	\$88,888	3.2	51.1	39.5	4.0
2042	1,926,306	289	1.52	683.1	4,388	\$97.1	\$382.9	\$89,507	3.1	51.1	40.5	4.0
2043	1,936,671	403	1.53	686.6	4,335	\$100.7	\$399.4	\$90,169	3.0	51.1	41.4	4.0
2044	1,947,159	352	1.53	690.1	4,279	\$104.3	\$416.2	\$90,907	2.8	51.1	42.4	4.0
2045	1,957,780	313	1.54	693.6	4,223	\$108.0	\$434.2	\$91,572	3.0	51.1	43.4	4.0
2046	1,968,486	245	1.55	697.1	4,167	\$111.8	\$452.5	\$92,249	2.9	51.1	44.4	4.0
2047	1,979,342	256	1.56	700.5	4,118	\$115.7	\$471.6	\$92,913	2.9	51.1	45.4	4.0
2048	1,990,314	235	1.57	703.9	4,065	\$119.8	\$491.5	\$93,588	2.9	51.2	46.5	4.0
2049	2,001,449	269	1.57	707.3	4,015	\$124.1	\$512.3	\$94,273	2.9	51.2	47.6	4.0
2050	2,012,769	330	1.58	710.6	3,971	\$128.4	\$534.0	\$94,975	2.9	51.2	48.7	4.0

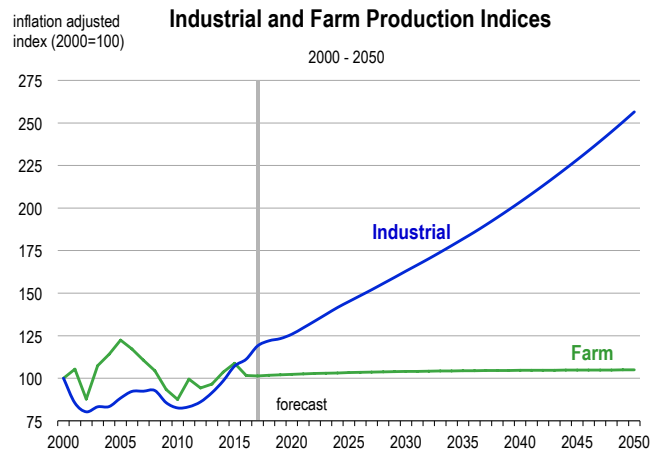
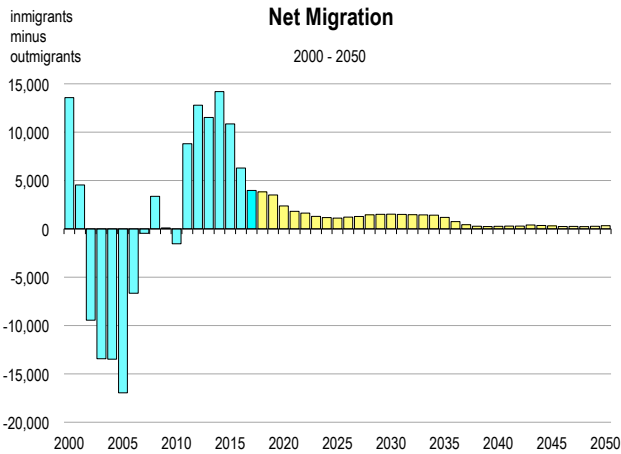
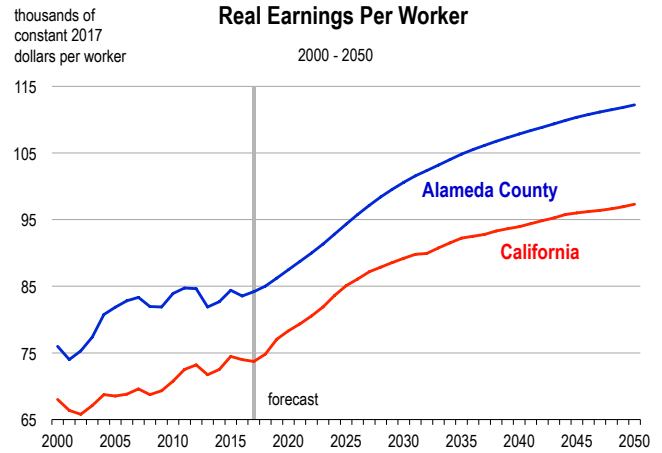
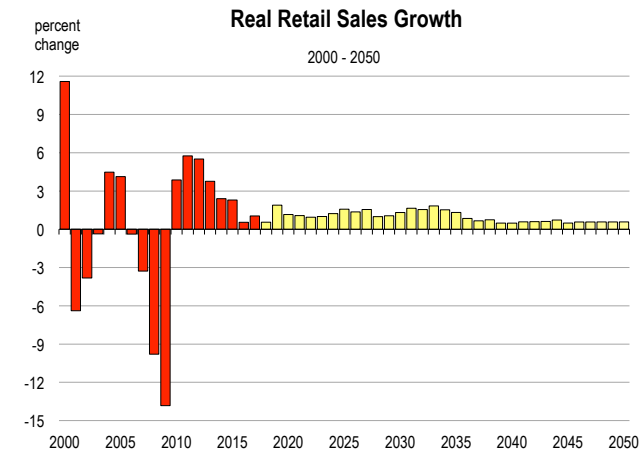


# Alameda County Employment Forecast

## 2010-2017 History, 2018-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	employment (thousands of jobs)											
2010	653.6	0.73	30.3	60.2	22.8	95.0	23.3	108.1	14.3	105.0	54.5	116.1
2011	662.5	0.70	30.8	62.1	23.5	95.7	24.5	111.0	14.2	104.6	56.0	116.0
2012	682.8	0.66	33.3	62.3	24.2	99.1	26.1	117.3	14.5	108.3	58.3	114.9
2013	701.6	0.55	35.6	64.6	24.0	103.7	28.0	118.4	14.1	111.0	61.9	115.1
2014	720.7	0.50	37.6	67.5	25.4	105.9	29.1	120.4	14.7	111.6	65.8	117.3
2015	749.5	0.45	40.9	72.5	26.9	108.8	29.3	125.7	16.6	114.5	68.4	120.1
2016	771.9	0.48	43.0	75.0	27.5	110.4	30.3	128.7	18.2	117.6	70.9	123.5
2017	791.0	0.48	45.5	79.1	28.5	111.5	30.6	130.7	18.4	121.7	73.3	124.4
2018	804.7	0.48	47.0	79.2	29.3	112.3	30.6	134.3	18.9	123.7	74.8	126.4
2019	816.5	0.49	47.4	80.2	30.0	113.2	30.8	137.9	19.0	125.3	76.0	127.8
2020	821.6	0.49	46.6	81.0	30.4	113.6	30.9	139.3	19.1	126.5	76.3	128.5
2021	827.0	0.49	44.7	81.7	30.8	114.0	30.9	141.5	19.1	127.8	77.4	129.1
2022	833.2	0.50	44.1	82.4	31.2	114.5	30.9	143.4	19.2	128.9	78.6	129.7
2023	837.5	0.50	42.3	82.9	31.5	114.9	30.9	145.0	19.2	130.1	79.7	130.3
2024	842.2	0.50	40.9	83.5	31.9	115.3	31.0	146.7	19.3	131.1	80.3	131.1
2025	846.9	0.50	39.5	84.0	32.2	115.8	31.0	148.5	19.4	132.3	80.7	132.0
2026	852.6	0.50	39.0	84.4	32.4	116.3	31.0	150.3	19.5	133.4	81.2	132.8
2027	858.3	0.51	38.7	84.8	32.6	116.8	31.0	152.1	19.6	134.7	81.6	133.6
2028	865.1	0.51	38.8	85.2	32.8	117.3	31.1	154.6	19.6	136.4	82.0	134.1
2029	871.7	0.51	38.8	85.4	32.9	117.8	31.1	156.9	19.7	138.2	82.6	134.6
2030	878.3	0.51	38.6	85.7	33.0	118.3	31.1	159.1	19.8	140.0	83.3	135.0
2031	884.7	0.51	38.4	85.9	33.1	118.9	31.1	161.3	19.8	141.8	83.9	135.4
2032	890.9	0.51	38.2	86.0	33.2	119.5	31.2	163.4	19.9	143.7	84.6	135.8
2033	897.1	0.51	38.0	86.1	33.3	120.1	31.2	165.4	20.0	145.4	85.3	136.2
2034	903.3	0.52	37.9	86.3	33.4	120.7	31.2	167.3	20.1	147.1	85.9	136.7
2035	909.3	0.52	37.8	86.4	33.6	121.2	31.3	169.1	20.1	148.8	86.6	137.1
2036	915.3	0.52	37.6	86.5	33.6	121.7	31.3	170.9	20.2	150.7	87.3	137.5
2037	921.3	0.52	37.5	86.7	33.7	122.1	31.3	172.7	20.3	152.5	88.0	137.9
2038	927.4	0.52	37.3	86.9	33.8	122.6	31.3	174.5	20.4	154.2	88.7	138.3
2039	933.6	0.52	37.2	87.1	34.0	123.0	31.3	176.3	20.4	156.0	89.4	138.7
2040	939.7	0.52	37.1	87.4	34.1	123.4	31.3	178.2	20.5	157.8	90.1	139.2
2041	946.1	0.52	37.0	87.6	34.2	123.8	31.3	180.1	20.6	159.6	90.8	139.6
2042	952.4	0.52	36.9	87.8	34.3	124.3	31.4	182.0	20.7	161.3	91.6	140.1
2043	958.8	0.52	36.9	88.1	34.4	124.7	31.4	183.9	20.8	163.1	92.3	140.5
2044	965.3	0.52	36.8	88.3	34.5	125.2	31.4	185.9	20.9	164.9	93.0	141.0
2045	971.8	0.52	36.7	88.5	34.6	125.6	31.4	187.8	21.0	166.7	93.8	141.4
2046	978.3	0.52	36.6	88.7	34.7	126.0	31.5	189.8	21.1	168.5	94.5	141.8
2047	984.8	0.52	36.5	89.0	34.9	126.5	31.5	191.8	21.2	170.3	95.3	142.2
2048	991.6	0.52	36.5	89.2	35.0	126.9	31.5	193.8	21.3	172.2	96.0	142.7
2049	998.4	0.52	36.5	89.4	35.1	127.3	31.6	195.9	21.4	174.0	96.8	143.2
2050	1,005.2	0.52	36.4	89.7	35.2	127.8	31.6	197.9	21.5	175.9	97.5	143.6





## County Economic and Demographic Indicators

### Projected Economic Growth (2018-2023)

Expected retail sales growth:	6.2%
Expected job growth:	4.1%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	10.9%

Expected population growth:	3.6%
Net migration to account for:	17.7%
Expected growth in number of vehicles:	2.5%

### Demographics (2018)

Unemployment rate (April 2018):	2.7%
County rank* in California (58 counties):	8th
Percent of population working age:(16-64)	67.4%

Population with B.A. or higher:	44.3%
Median home selling price (2017):	\$750,000
Median household income:	\$91,129

### Quality of Life

Violent crime rate (2016):	602 per 100,000 persons
County rank* in California (58 counties):	51st
Average commute time to work (2018):	36 minutes

High School drop out rate (2017):	7.7%
Households at/below poverty line (2018):	8.0%

\* The county ranked 1st corresponds to the lowest rate in California